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CENTRAL INTELLIGENCE AGENCY
Office of Current Intelligence
17 November 1965

INTELLIGENCE MEMORANDUM

The Situation in Indonesia
(Report #64 - As of 4:00 P.M. EST)

1. An army-organized rally of anti-Communist trade union members in Djakarta today again called on Sukarno to ban the PKI and to purge the cabinet and other bodies of "counter-revolutionary" elements.

2. The army clearly plans to retain control of Indonesian information media. An army spokesman again announced that the Djakarta military commander still held emergency powers, including regulation of the press, although the state of war was lifted in the capital last week. The army has also indicated that it will retain effective control of the Indonesian radio, although it was formally handed back to its civilian director last week. In addition, Information Minister Achmadi stated today that he would delay implementation of recent regulations limiting anti-Communist parties to one newspaper each.

3. At a meeting of the military chiefs of staff on Tuesday--the first since the 1 October insurrection--the ouster of Foreign Minister Subandrio and Air Force Chief Dani apparently was discussed. The press later announced that a recommendation for the dismissal of Dani, who was deeply involved in the insurrection, was forwarded to Sukarno.

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State Dept. review(s) completed.

4. A number of additional members of parliament were suspended for complicity in the insurrection today. In itself this move means little, but it is another indication that army pressure for a purge of PKI sympathizers is continuing.

5. Sukarno is reported to have been spending long hours in consultation with close political associates in the past several days and may be preparing to resume the offensive shortly. A cabinet member has told the US Embassy that the army and Sukarno have reached a "complete deadlock" on the question of banning the PKI. The source said that he foresaw no early resolution of the present struggle for power. 25X1

7. The Embassy now believes that the trade ban on goods to Communist China may still be in effect, despite Subandrio's statement last week that it had been terminated.

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